

Chapter 4: LICENSEE RECORDS

§1. Ownership Records

The slot machine operator licensee or casino operator licensee shall keep and provide to the Board upon request, all of the following records:

1. If the slot Machine Operator licensee, Casino Operator licensee, or any controlling person of the licensee, or an applicant for the slot machine operator license or casino operator license, is a publicly traded corporation then the following will be provided:
 - A. A list of those executive officers of the publicly traded corporation whose ongoing and regular responsibilities relate or are expected to relate directly to the operation or oversight of the slot machine facility or casino.
 - B. Annual reports for the three (3) most recent years
 - C. Audited financial statements, i.e., balance sheet, income statement, cash flow statement, for the last three (3) years. All relevant attachments are to be provided.
 - D. All reports required to be filed with the Securities and Exchange Commission including the last 10-K report and the last two 10-Q reports.
 - E. Any other reports of the licensee or its parent/holding company to its shareholders for the current fiscal year
2. If the slot machine operator licensee or casino operator licensee is a corporation, but is not a publicly traded corporation, then all of the following records:
 - A. A certified copy of the articles of incorporation and any amendments;
 - B. A certified copy of the bylaws and any amendments;
 - C. A certificate of good standing from the state of its incorporation;
 - D. If the corporation is operating as a foreign corporation in Maine, a certificate of authority from the Maine corporations and securities bureau authorizing it to do business in Maine;
 - E. A list of all current and former officers and directors for a period of two years before Maine licensure;
 - F. A certified copy of minutes of all meetings of the stockholders and directors for a period of two years before Maine licensure;

- G. A current list of all current stockholders, including the names of beneficial owners of shares held in street or other names;
 - H. The name of any entity and a current list of all owners or stockholders in that entity, including the names of beneficial owners of shares held in street or other names, in which the corporation has a direct, indirect, or attributed interest;
 - I. A copy of the stock certificate ledger or its electronic equivalent;
 - J. A complete record of all transfers of stock to the extent available to the licensee or applicant;
 - K. A schedule of amounts paid to the corporation for the issuance of stock and other capital contributions and the dates the amounts were paid;
 - L. A schedule of all dividends distributed by the corporation; and
 - M. A schedule of all direct or indirect salaries, wages, and other remuneration, including prerequisites, paid during the calendar or fiscal year by the corporation to all officers, directors, and stockholders that have an ownership interest, at any time during the calendar or fiscal year, that is more than 5% of the outstanding capital stock of any class of stock;
3. If the slot machine operator licensee or casino operator licensee is a limited liability company, then all of the following records:
- A. A certified copy of the articles of organization;
 - B. A certified copy of the operating agreement;
 - C. A list of all current and former managers, including names and addresses;
 - D. A list of the members, including all of the following information:
 - 1. Names;
 - 2. Addresses;
 - 3. The percentage of interest in net assets, profits, and distributions of cash held or attributable to each;
 - 4. The amount and date of each capital contribution of each member;
 - 5. The date the interest was acquired; and
 - 6. The method of determining a member's interest;
 - E. A schedule of all withdrawals of company funds or assets by members;
 - F. A schedule of direct or indirect salaries, wages, and other remuneration, including prerequisites, paid to each member during the calendar or fiscal year;

- G. A copy of the membership ledger or its electronic equivalent;
 - H. A complete record of all transfers of membership interests; and
 - I. A schedule of amounts paid to the company for the issuance of membership interests and other capital contributions and the dates the amounts were paid;
4. If the slot machine operator licensee or casino operator licensee is a partnership, then all of the following records:
- A. A certified copy of the partnership agreement;
 - B. A certificate of limited partnership of its domicile;
 - C. A list of the partners, including all of the following information:
 - 1. Names;
 - 2. Addresses;
 - 3. The percentage of interest in net assets, profits, and losses held by each partner;
 - 4. The amount and date of each capital contribution of each partner;
 - 5. The date the interest was acquired.
 - 6. The description of the form of the person's partnership interest, for example, limited partner.
 - D. A schedule of all withdrawals of partnership funds or assets; and
 - E. A schedule of direct or indirect salaries, wages, and other remuneration, including prerequisites, paid to each partner during the calendar or fiscal year;
5. If the slot machine operator licensee or casino operator licensee is a sole proprietorship, then all of the following records:
- A. A schedule showing the name and address of the proprietor and the amount and date of his or her original investment;
 - B. A schedule of the dates and amounts of subsequent additions to the original investment and any withdrawals; and
 - C. A schedule of direct or indirect salaries, wages, and other remuneration, including prerequisites, paid to the proprietor during the calendar or fiscal year.

§2. Accounting Records

1. The slot machine operator licensee or casino operator licensee shall maintain complete, accurate, legible, and permanent records of all transactions pertaining to its revenues and expenses, assets, liabilities, and equity in conformance with generally accepted accounting principles. The Board may direct the slot machine operator licensee or casino operator licensee to alter the manner in which the records are maintained if the licensee's records are not in accordance with generally accepted accounting principles or if the records are not in sufficient detail.
2. The accounting records shall be maintained using a double entry system of accounting with transactions recorded in accordance with generally accepted accounting principles and supported by detailed subsidiary records.
3. The detailed subsidiary records shall include, at a minimum, all of the following:
 - A. Detailed general ledger accounts identifying all revenue, expenses, assets, liabilities, and equity for the slot machine operator licensee or casino operator licensee;
 - B. A record of all investments, advances, loans, and accounts receivable balances due the establishment;
 - C. A record of all loans and other accounts payable by the slot machine operator licensee or casino operator licensee;
 - D. A record of all accounts receivable written off as uncollectible by the slot machine operator licensee or casino operator licensee;
 - E. Journal entries prepared by the slot machine operator licensee or casino operator licensee;
 - F. Tax work papers used in preparation of any state or federal tax return;
 - G. Records that identify all of the following on a per day basis or other accounting period approved by the Board
 1. The number of coins inserted by players or the coin equivalent if a bill acceptor is being used or tokens or vouchers are used;
 2. The number of credits wagered;
 3. The number of credits paid out by printed tickets;
 4. The total number of credits, coins and tokens won;
 5. The number of times the logic door was accessed; and
 6. The number of times the cash door was accessed;

7. The calculated payout percentage of each slot machine game on the basis of credits won divided by credits played;
 8. The master game report for each table;
 9. The number of chips missing and value from each table;
 10. The Drop for each table;
 11. The Win for each table.
- H. Records required to fully comply with all applicable federal financial record-keeping requirements enumerated in 31 *Code of Federal Regulations*, part 103;
- I. Records required by the slot machine operator licensee's or casino operator licensee's internal control system;
- J. Work papers supporting the daily reconciliation of cash accountability; and
- K. Other records that the Board requires to be maintained.

§3. Standard Financial and Statistical Records

1. Each Operator, unless specifically exempted by the Board, shall file daily, weekly, monthly, and annual reports of financial and statistical data with the Board.
2. At a minimum, the reports shall contain the following information:

Daily

- A. Daily Operation Report which must include slot machine and table game win, handle, win percentage for the day, month to date, and for the comparable period last year.
- B. A validation drop vs. meter comparison report filed for each drop day that compares the actual count to system totals.

Weekly

- A. Transfers of employees within the Operator's organization.
- B. Changes in officers, partners, directors, key employees, operations employees, and owners.
- C. Names of all new employees hired to work on the premises.
- D. Termination of any employee and the reason for such termination.

Monthly

- A. Slot machine win, handle, and win percentage by denomination for the previous month and for the comparable periods in the prior year.
- B. Table game win, handle, and win percentage for the previous month and for the comparable periods in the prior year.
- C. Management fees paid.
- D. All employee infractions of the internal controls, Board established Rules and Regulations and State Law. Each infraction shall be reported on a form approved by the board or its designee and shall include, at a minimum, the following information:
 - 1. Employee name.
 - 2. Date of infraction.
 - 3. Complete details of infraction.
 - 4. Action taken.
- E. Balance sheet and income statement prepared on a comparative basis for the current month and corresponding prior year period, in a form prescribed by the Board which will include table games and slot machine operations.

Annually

- A. Each Operator, unless specifically exempted by the Board, shall, at its own expense, cause its annual financial statements to be audited in accordance with generally accepted auditing standards by an independent certified public accountant licensed to practice in the State of Maine.
 - B. The annual financial statement shall be prepared on a comparative basis for the current and prior fiscal year, and shall present financial position and results of operations in conformity with generally accepted accounting principles.
 - C. Copies of the annual report as developed by the independent certified public accountant shall be submitted by the Operator to the Board.
- 3. Annual reports to the Board shall be based on the Operator's fiscal year. Quarterly reports shall be based on fiscal quarters, or as prescribed by the Board. Monthly reports shall be based on calendar months, or as prescribed by the Board. Weekly reports shall be based on a Monday through Sunday workweek.
 - 4. The due dates for the reports shall be as prescribed in the Rules of the Gambling Control Board.
 - A. Required weekly reports will be submitted on Tuesday of each week.

- B. Required monthly reports will be submitted on the 15th of the month.
 - C. Required annual reports will be submitted within 120 days of the close of the licensee's fiscal years.
5. Each Operator shall require its independent certified public accountant to render the following additional reports:
- A. Report on material weaknesses in internal accounting control. Whenever in the opinion of the independent certified public accountant there exists no material weaknesses in internal accounting control, the report shall so state.
 - B. The Operator shall prepare a written response to the independent certified public accountant's reports required by 5(A) above. The response shall indicate, in detail, the corrective actions taken. Such response shall be submitted to the Board and the Department within 90 days from receipt of the independent certified public accountant's reports.
6. Two copies of the reports required by 5 above, and two copies of any other reports on internal accounting control, administrative controls, or other matters relative to the Operator's accounting or operating procedures rendered by the Operator's independent certified public accountant, shall be filed with the Board and the Department by the Operator by the 15th day of the third month following the end of the fiscal year.
7. If an independent certified public accountant who was previously engaged as the principal accountant to audit the Operator's financial statements resigns or is dismissed as the Operator's principal accountant, or another independent certified public accountant is engaged as principal accountant, the Operator shall file a report with the Board and the Department within 10 days following the end of the month in which such event occurs, setting forth the following:
- A. The date of such resignation, dismissal, or engagement.
 - B. Whether in connection with the audits of the two most recent years preceding such resignation, dismissal, or engagement there were any disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements if not resolved to the satisfaction of the former accountant would have caused him to make reference in connection with his report to the subject matter of disagreement, including a description of each such disagreement. The disagreements to be reported include those resolved and those not resolved.
 - C. Whether the principal accountant's report on the financial statements for any of the past two years contained an adverse opinion or disclaimer of opinion or was qualified. The nature of such adverse opinion, disclaimer of opinion, or qualification shall be described.
 - D. The Operator shall request the former accountant to furnish to the Operator a letter addressed to the Board, with a copy furnished to the Department, stating whether he agrees with the statements made by the Operator. Such letter shall be filed with the Board as an exhibit to the report filed by the Operator.

§4. Special Audits and Licensee Annual Compliance Reports

1. To assure the integrity of gaming and compliance with 8 M.R.S.A.. Chapter 31 and these rules, the Board may require for cause a special audit of the slot machine operator or the casino operator to be conducted by State of Maine personnel or an independent certified public accountant who is, or whose firm is, licensed in Maine. The audit may not be performed by a firm who is also acting as a financial advisor for any governmental organization involved with or benefiting from the operation of the slot machine facility or casino. The Board shall establish the scope, procedures and reporting requirements of a special audit.
2. The slot machine operator licensee or casino operator licensee who is a public reporting company under the Securities and Exchange Act of 1933 or 1934, 15 U.S.C. §77 and 15 U.S.C. §78, shall submit a copy of all reports required by the Securities and Exchange Commission to the Director in the form filed with the SEC. The reports shall be due on the same filing dates as required by the Securities and Exchange Commission.
3. The slot machine operator licensee or casino operator licensee shall bear the expense of preparing any audit required by these rules and performed by an independent certified public accountant. Qualified personnel of the slot machine operator licensee or casino operator licensee shall prepare compliance reports and the slot machine operator licensee or casino operator licensee shall bear the expense of preparing the compliance reports.
4. The reporting year-end of the holder of the slot machine operator license or casino operator license shall be the licensee's fiscal year.

STATUTORY AUTHORITY: 8 M.R.S.A. §1003

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